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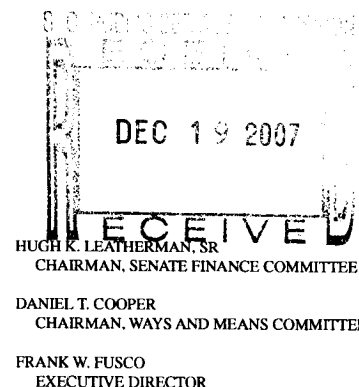
STATE OF SOUTH CAROLINA  
**State Budget and Control Board**  
SOUTH CAROLINA ENERGY OFFICE

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December 14, 2007

**VIA U.S. MAIL**

Mr. Charles L.A. Terreni  
Chief Clerk/Administrator  
South Carolina Public Service Commission  
101 Executive Center Dr., Suite 100  
Columbia, SC 29210

Re: Progress Energy Carolinas Palmetto Clean Energy Rider PaCE – 1  
Duke Energy Carolinas PaCE Program SC  
South Carolina Electric and Gas Co. Palmetto Clean Energy Inc Rider to  
Retail Rates

Dear Mr. Terreni:

The South Carolina Energy Office has reviewed the above referenced matters and would like to offer its strong support for the tariffs requested by Progress Energy Carolinas, Duke Energy Carolinas, and South Carolina Electric and Gas Co. for the Palmetto Clean Energy (PaCE) program.

The requested rider(s) will allow the utilities to offer customers the option of contracting for a block or blocks of electricity produced from renewable resources. We believe this program will have a significant impact on the development of indigenous renewable energy sources within the state. It will also meet a demand from the general public, which is becoming increasingly aware of renewable energy options.

Sincerely,

John F. Clark  
Director